

Chapter Grp 7

SPOUSE AND DEPENDENT LIFE INSURANCE
COVERAGE

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Grp 7.01 Purpose. Pursuant to the provisions of s. 40.10 (3), Stats., the group insurance board has acted to provide a group life insurance plan for the spouse and dependents of state employees.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.02 Definitions. In this chapter:

(1) "Employee", means an active state employee who is insured in the group life insurance plan under s. 40.12, Stats., and the rules of the group insurance board.

(2) "Spouse" means the legal husband or wife of the employee.

(3) "Dependent" means: an employee's unmarried child (including stepchild and adopted child) who is dependent upon the employee for at least 50% of support and maintenance and who is:

(a) More than 14 days of age, but under the age of 19, or

(b) Between the ages of 19 and 25 if a full-time student, or

(c) Incapable of self-support on account of a physical or mental disability which can be expected to be of long-continued or indefinite duration, even though over the age of 19.

(4) "Student" means a person who is enrolled in an institution which provides a schedule of courses or classes and whose principal activity is the procurement of an education. Full-time student status shall be defined by the institution in which the student is enrolled and shall include any usual vacation period if the child was a full-time student at the end of the previous term.

(5) "Coverage" means, unless otherwise specifically stated, coverage under the group life insurance plan provided for by this chapter for the spouse and dependents of state employees.

(6) "Employer" means the employing state agency.

(7) "Earnings" means salary or wages paid or payable by the state.

(8) "Director" means director of the group insurance bureau, department of employe trust funds.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

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Grp 7.03 Effective date. The group life insurance plan for the spouse and dependents of state employes shall be effective 1/1/81.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.04 Enrollment. (1) An employe shall be eligible to enroll for coverage by filing an application provided by the director which must be received by the employer:

(a) Prior to 12/1/80 for employes then insured for coverage under s. 40.12, Stats.

(b) Within 31 days after:

1. A person qualifies for the first time as an employe pursuant to s. 40.11 (2), Stats.

2. An employe first has a spouse or dependent to insure,

3. An employe returns to active employment after a leave or a layoff without earnings if, during such absence, coverage under s. 40.12, Stats., was discontinued.

4. An employe obtains insurance coverage under the provisions of s. 40.12 (2), Stats.

(2) Coverage shall be effective on the first day of the calendar month which begins on or after the date the application form is received by the employing department.

(3) An employe shall be deemed to have cancelled coverage if during a consecutive 6 month period required contributions toward premium due were not made.

(4) Any eligible employe who does not elect coverage under sub. (1) may obtain coverage by providing evidence of insurability for his or her spouse and dependents satisfactory to the insurance carrier on the form provided by the director. Insurance coverage shall become effective on the first day of the month following the date coverage is approved.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.20 Amount of insurance. The amount of coverage shall be \$5,000 for a spouse and \$2,500 for each dependent child.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.21 Coverage during employment gaps. (1) Insurance may be continued during any period of approved leave of absence (including layoffs not due to the misconduct of the employe) not to exceed 3 months while the employe continues to be a state employe but earns no salary from the state.

(2) Coverage may be continued during the period of interruption of earnings specified in sub. (1) by authorizing a payroll deduction in an amount sufficient to pay the premium for the entire period or by otherwise making advance payment for the entire period.

(3) Coverage may be extended beyond the 3 months specified in sub. (1) but not to exceed a total of 36 months. The employe must pay the contribution for the lesser of 3 months or the entire period of interrupted earnings. Premium must be deducted from the employe's earn-

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ings or must be paid to the employer not later than 30 days prior to the end of the period for which premiums had previously been paid.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.22 Suspension of insurance. If an employe discontinues contributions for insurance while receiving no earnings, the insurance shall terminate on the date to which the contributions are paid. The insurance shall not be effective again until the date the employe resumes active state employment and then only as provided by Grp 7.04 (1) (b). If insurance is terminated as provided in this section and the employe does not resume active state employment, he or she may not convert the insurance to an individual policy.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.23 Coverage during disability. (1) If an insured employe is totally disabled before age 70 as a result of bodily injury or disease so as to be wholly prevented from performing any work or engaging in any occupation for remuneration or profit, and appears to the head of his or her employing department likely to remain so disabled for an indefinite period of time, the premium may be discontinued for 9 months, or until any earlier time that the employe is able to return to work. The insurance shall remain in force while premiums are discontinued. After premiums have been discontinued for 9 months the insurance company may request the employe to furnish proof of total disability. If the proof of total disability is accepted, the insurance will remain in force as long as the disability continues, subject to new proof of disability being submitted each year if required by the insurance company.

(2) The following conditions apply to the cessation of premiums during a period of total disability:

(a) Cessation shall not begin while the employe is receiving earnings.

(b) The employer, on the form provided by the director, may certify to the cessation while earnings are being received, to be effective when the earnings cease.

(c) If the employe was insured at the time earnings stopped, the cessation of premiums may apply a maximum of 90 days retroactively from the date the certification of cessation of premiums is received by the director, but may not apply prior to the actual date of cessation of earnings.

(d) The certification of cessation will be accepted from the employer within 31 days after the termination of employment provided that the disability was the cause of the termination and no other employment has intervened. A certification will be accepted after the 31 day period has expired only if it is established that the certification was submitted as soon as reasonably possible. Unless the existence of total disability can otherwise be documented no certification will be accepted unless submitted within 90 days following the employe's termination of employment.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.30 Termination of coverage. (1) Except as otherwise provided in this chapter, coverage shall terminate on the day the employe

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resigns, is discharged from state employment, or attains age 70, whichever occurs first.

(2) Coverage for a spouse shall terminate on the date a divorce decree is entered. The divorced spouse may apply for non-group conversion coverage unless the divorced spouse is also a state employe as defined in s. 40.11 (2), Stats.

(3) Coverage shall terminate 90 days after the death of an employe.

(4) Except as provided under sub. (5), coverage for a dependent child shall terminate at the earliest of:

(a) Qualification for group life insurance as a state employe under s. 40.11 (2) (a), Stats., or

(b) The end of the month in which married, or

(c) The end of the calendar year in which age 19 years is attained if not a full-time student, or

(d) The end of the calendar year in which the child ceases to be a full-time student if over age 19, or

(e) The end of the calendar year in which the child attains the age of 25 years, or

(f) The end of the calendar year in which the employe is no longer responsible for support and maintenance.

(5) Coverage for a disabled child terminates at the end of the month in which the child ceases to be disabled as defined in Grp 7.02 (3) (c).

(6) A spouse or dependent for whom coverage terminated under this section may apply for non-group conversion with 31 days of the date coverage terminated.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.50 Coverage during appeal from removal or discharge. (1) An insured employe who, within 30 days of removal or discharge from his or her position or office, becomes a party to legal proceedings to obtain review of the legality of that removal or discharge, may continue to be insured from the date of the contested removal or discharge. Within 30 days of the date of removal or discharge, the employe must pay to the employer or the director the initial payment to keep the insurance in force. The initial payment shall cover the premium for a 3 month period, but may be for a greater period at the option of the employe. Additional payments for at least 3 months may be made not later than 30 days prior to the end of the period for which premiums had previously been paid, until a final determination is reached.

(2) If the appeal determination is adverse to the employe, the date of termination of employment shall, for purposes of coverage, be the end of the month in which the determination becomes final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal. Any premiums which have been paid for any period subsequent to the month in which a final determination is reached shall be refunded.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

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Grp 7.51 Premium. (1) The premium for coverage shall be a total of \$2 per month which includes the spouse and/or all dependent children. The premium shall be deducted from earnings except as otherwise provided in this chapter.

(2) When coverage ceases because of termination of employment, or because of attainment of age 70, a full month's premium is required to be paid for any month or portion of a month for which earnings are paid.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.52 Adjustments. Except as provided by Grp 7.04 (3), whenever the proper premium is not paid by an insured employe in any month, any deficiency shall be deducted by the employer upon the ensuing payroll after discovery of nonpayment or improper payment. If an excess deduction of premium has been made for any employe the excess shall be adjusted by reducing subsequent premiums for that employe, or if there be no later payroll payment then a refund check shall be issued to the person making the overpayment.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.

Grp 7.53 Beneficiary. The beneficiary of coverage shall be the insured state employe. In the event of the simultaneous death of the employe and a spouse or a dependent, the principal amount of insurance shall be paid to the estate of the employe.

History: Cr. Register, November, 1980, No. 299, eff. 1-1-81.